

# CHANGES TO RULES GOVERNING STAMP DUTY AND LEASE AGREEMENTS CREATING UNCERTAINTY FOR INVESTORS

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**The prospect of a potential increase in interest rates, in addition to the political situation in Catalonia, could impact real estate investment in the coming months.**

New regulations related to stamp duty as well as amendments to laws related to property leases is creating uncertainty for investors and this will generate demand for legal advisers, says Ángel Lavín

Martínez, partner at Lupicinio International Law Firm.

"The most common type of real estate work for lawyers right now is the sale and acquisition of large real estate portfolios," he says. "There is also activity related to leases for commercial premises in the main cities in Spain – and not just Madrid and Barcelona – where commercial areas have been developed and restructured." However, according to Lavín Martínez, there are significant challenges clients must face when investing in real estate in Spain.

"There are the new regulations on Spanish stamp duty (in relation to the execution of mortgages and the financial terms of the loans), the uncertainty around the final details of the upcoming amendment to the Spanish Lease Act, and the impact of tourist apartment regulations that are being implemented by each of the 17 regional governments," he says.

Lavín Martínez adds that there is also the prospect of a potential increase in interest rates, and says the political situation in Catalonia could impact on real estate investment in the coming months.

However, despite these conditions, lawyers' levels of real estate work are being maintained; that said, law firms need to ensure they are in tune with the needs of clients, according to Lavín Martínez. "This means delivering excellent multidisciplinary services, with exquisite attention-to-detail and timing, thorough preparation and prompt availability," he says.

With regard to the outlook for the coming year, Martínez expects 2019 to be a good year for real estate lawyers. He adds: "Hopefully, these uncertainties in the real estate market will be solved, as this will provide our clients with renewed confidence."